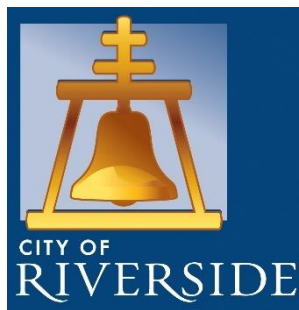


REPLACEMENT HOUSING PLAN

**1705 TO 1761 SEVENTH STREET, RIVERSIDE,
CALIFORNIA, 92507**

Prepared By



HOUSING AUTHORITY CITY OF RIVERSIDE

NOVEMBER 2017

TABLE OF CONTENTS

1.	INTRODUCTION	3
2.	DEFINITIONS	4
3.	COMPLIANCE WITH STATE LAW	6
4.	PROJECT DESCRIPTION	6
5.	RESIDENTIAL UNITS TO BE REMOVED AND REPLACED	8
6.	CONSTRUCTION OF REPLACEMENT HOUSING	9
7.	FINANCING REPLACEMENT HOUSING	10
8.	TIMETABLE FOR DEVELOPMENT OF THE REPLACEMENT HOUSING	11
9.	NON-APPLICABILITY OF ARTICLE 34 OF THE CALIFORNIA CONSTITUTION	11
10.	PLAN REVIEW PERIOD	11

1. INTRODUCTION

In its quest for improvement of housing, the Housing Authority of the City of Riverside (Authority) is participating in an overall development strategy that will include the acquisition of seven residential properties located at 1705 - 1761 Seventh Street at the corner of Seventh Street and Chicago Avenue in the Eastside Neighborhood. These units will be acquired by not-for-profit developers, however the Authority's overall participation in this project necessitates the plan contemplated below.

Section 33413.5 of the California Redevelopment Law (Health and Safety Code, Section 33000 et seq.) requires a redevelopment agency to adopt a replacement housing plan whenever the agency executes an agreement for acquisition of real property, or an agreement for the disposition and development of property, which would lead to the destruction or removal of dwelling units from the housing market's very low, low, or moderate incomes. The plan should identify the impacts that a particular redevelopment project will have on the community's supply of housing for very low, low, and/or moderate incomes and detail the measures that the agency will take to ensure that the appropriate replacement housing is produced within the state-mandated, four-year time limit. Agencies have two options for pursuing replacement housing pursuant to either Section 33413(a) or Section 33413(f) of the California Redevelopment Law.

Section 33413(a) of the California Redevelopment Law requires that whenever dwelling units providing housing to persons and families of low or moderate income are destroyed or removed from the housing market of low and moderate incomes as part of a redevelopment project, which is subject to a written agreement with a redevelopment agency, or where financial assistance has been provided, the agency shall, within four years of the destruction or removal, rehabilitate, develop, construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of very low, low, or moderate income, an equal number of replacement dwelling units at affordable housing cost within the redevelopment project area within the "territorial jurisdiction" of the agency. Because the dwelling units proposed to be razed as a result of the Project would be removed after January 1, 2002, 100% of the replacement dwelling units shall be available at affordable housing cost to, and occupied by, persons in the same, or a lower income category (very low, low, or moderate) as the persons displaced from those units destroyed or otherwise removed from the municipal inventory.

Notwithstanding Section 33413(a), Section 33413(f), states that an agency may replace destroyed or removed dwelling units with a fewer number of replacement dwelling units, if the replacement units meet both of the following criteria: (1) The total number of bedrooms in the replacement dwelling units equals or exceeds the number of bedrooms in the units destroyed or otherwise removed; and, (2) The

replacement units are affordable to and occupied by the same income level of households as the destroyed or removed units.

The units must be within the agency's jurisdiction, in standard condition, and designed to remain affordable to very low-, low-, or moderate-income households, respectively, for the longest feasible time, as determined by the agency, but for no less than the period of the land use controls established in the redevelopment plan, unless a longer period is applicable under Health & Safety Code §33413(c).

Pursuant to the passage of Assembly Bill No. 637; however, affordable units provided by an agency post-January 1, 2002 are required to have affordability covenants for minimum, fixed-time periods irrespective of the life of any one project area or agency (and the term of applicability of the land use controls). Specifically, Section 33413(c) established those time limits at 45 years for ownership units and 55 years for rental housing.

As of February 1, 2012, Redevelopment Agencies were dissolved pursuant to AB x1 26. Pursuant to Health and Safety Code section 34176 and Housing Authority Resolution No. 7, the Housing Authority became responsible for all of the housing functions of the former redevelopment agency. As such, the Housing Authority follows and abides all of the statutes set forth above.

The Housing Authority has prepared this Replacement Housing Plan in accordance with the California Health and Safety Code requirement that necessitates a replacement plan to be prepared whenever dwelling units housing persons and families of low- and moderate-income are destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project. The Housing Authority shall within four years of the destruction or removal of low- and moderate-income housing, replace these units with an equal number of replacement dwelling units that have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the City's jurisdiction.

2. DEFINITIONS

Household income is the most important, although not the only factor, affecting housing opportunity in the City of Riverside (City) because it determines a household's ability to purchase or rent housing and balance housing costs with other necessities of life.

In accordance with the 2017 State of California Housing and Community Development (HCD) and Riverside County income limit summaries, Riverside's median household income is \$65,000 for a four (4) person household.

HCD uses five income categories for the purpose of determining housing affordability and need in communities. This method is consistent with definitions of low- and moderate-income households used in various Federal and State housing programs.

These categories are as follows:

Extremely Low-Income Household

Persons and families whose gross incomes earn below 30 percent of median family income or \$24,600.

Very Low-Income Household

Persons and families whose gross incomes earn between 31 to 50 percent of median family income or \$33,500.

Low-Income Household

Persons and families whose gross incomes earn between 51 to 80 percent of median family income or \$53,600.

Moderate-Income Household

Persons and families whose gross incomes earn between 81 to 120 percent of median family income or \$65,000.

Above Moderate Income

Persons and families whose gross incomes earn over 120 percent of median family income or \$78,000.

Replacement Dwelling Unit

California Redevelopment Law [Section 33413(a)] mandates that, whenever housing units for low- or moderate-income households are destroyed or removed from the low and moderate-income housing market, an agency is to replace the removed units with comparable housing units within four years of demolition. The replaced housing shall be rehabilitated, developed, constructed, or cause to be constructed, rehabilitated, or developed for rental or sale to persons and families of low or moderate income, an equal number of replacement dwelling units that have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the agency. Since January 1, 2002, the replacement dwelling units must also be available at an affordable housing cost and be occupied by households whose income levels are commensurate with those households displaced from units removed through Agency assisted projects.

3. COMPLIANCE WITH STATE LAW

§ 33413(a) of the California Health and Safety Code provides as follows:

“Whenever dwelling units housing persons and families of low- or moderate-income are destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project that is subject to a written agreement with the Agency or where financial assistance has been provided by the Agency, the Agency shall, within four years of the destruction or removal, rehabilitate, develop or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low- or moderate-income, an equal number of replacement dwelling units that have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the Agency. When dwelling units are destroyed or removed after September 1, 1989, 75 percent of the replacement dwelling units shall replace dwelling units available at affordable housing cost in the same or a lower income level of very low-income households, low- income households, and persons and families of low- and moderate-income, as the persons displaced from those destroyed or removed units. When dwelling units are destroyed or removed on or after January 1, 2002, 100 percent of the replacement dwelling units shall be available at affordable housing cost to persons in the same or a lower income category (very low, low, or moderate), as the persons displaced from those destroyed or removed units.”

§ 33413(c) of the California Health and Safety Code provides as follows:

“The Agency shall require the aggregate number of replacement dwelling units and other dwelling units rehabilitated, developed, or constructed, or price restricted pursuant to subdivision (a) or (b) remain available at affordable housing cost to, and occupied by, persons and families of low-income, moderate-income, and very low-income households, respectively, for the longest feasible time, but for not less than 55 years for rental units, 45 years for homeownership units, and 15 years for mutual self-help housing units, as defined in subparagraph (C) of paragraph (1) of subdivision (f) of Section 33334.3, except as set forth in paragraph (2). Nothing in this paragraph precludes the agency and the developer of the mutual self-help housing units from agreeing to 45-year deed restrictions.”

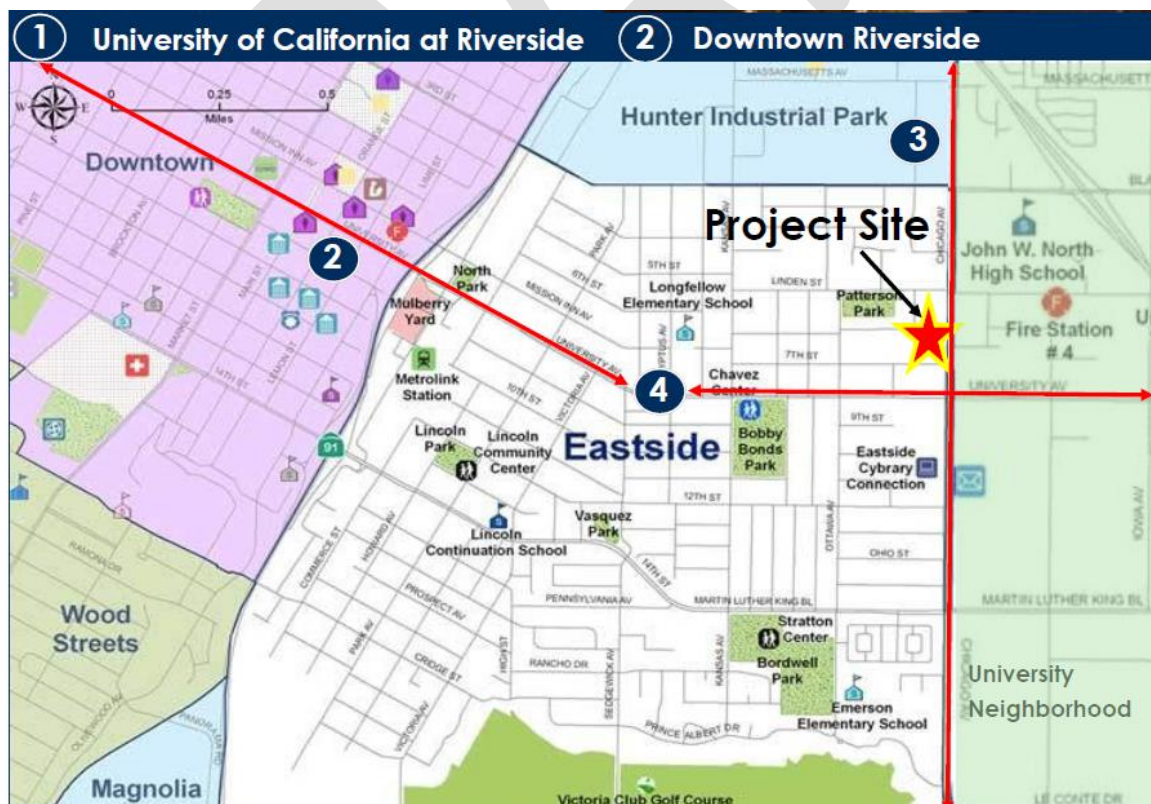
4. PROJECT DESCRIPTION

The Project is a prominent two acres corner site fronting on Seventh Street and Chicago Avenue, one block north of the intersection of Chicago and University Avenues. Chicago and University Avenues are major thoroughfares linking the University of California at Riverside (UCR) to the bustling Downtown and industrial

centers. Please see the Project map below. The proposed project involves two residential parcels that consist of the following:

- 1705 7th Street: A two-story apartment building that consisted of 12 units and was demolished due to substandard conditions. The buildings were demolished on September 12, 2014. Replacement units must be developed by September 12, 2018.
- 1719 7th Street: A single-family house that was demolished due to substandard conditions.
- 1725 Seventh Street: A two-story apartment building. The building contains 10 residential units currently deemed to be in vacant un-occupiable condition.
- 1733 7th Street: A two-story apartment building that consisted of 22 units was demolished due to substandard condition. The buildings were demolished on June 18, 2014 and must be replaced by June 18, 2018.
- 1747 7th Street. A two-story apartment building consisting of 10 units.
- 1753 Seventh Street: A single-family structure currently deemed to be in substandard condition.
- 1761 7th Street: A single-family structure currently deemed to be in substandard condition.

Project Site Map:



5. RESIDENTIAL UNITS TO BE REMOVED AND REPLACED

The seven residential properties have an aggregate total of 56 studio to three-bedroom units. Since there is no data on several of the previous tenants, the Housing Authority is assuming that the residential properties consisted of thirty-two (32) very low-income units, which is the most restrictive replacement obligation.

State Law allows the Housing Authority to replace destroyed or removed dwelling units with a fewer number of replacement dwelling units if the replacement dwelling units meet both of the following criteria:

(1) The total number of bedrooms in the replacement dwelling units equals or exceeds the number of bedrooms in the destroyed or removed units. Destroyed or removed units having one or no bedroom are deemed for this purpose to have one bedroom.

(2) The replacement units are affordable to and occupied by the same income level of households as the destroyed or removed units.

The Housing Authority has several options available to provide replacement housing to ameliorate the impact of the project, including acquisition, rehabilitation, and new construction. The demolition of the seven residential structures at 1705 to 1761 Seventh Street will result in the removal of 56 residential units. The tables below give a breakdown of the bedroom sizes and income levels of the units that are to be replaced.

RESIDENTIAL UNITS TO BE REMOVED AND REPLACED

PROPERTY ADDRESS	APN	NO. OF UNITS	STUDIO	ONE BEDROOM	TWO BEDROOMS	THREE BEDROOMS
1705 7 th Street	211-181-025	12		12		
1719 7 th Street	211-181-022	1			1	
1725 7 th Street	211-181-021	10		10		
1733 7 th Street	211-181-020	21	1	16	4	2
1747 7 th Street	211-181-019	10		10		
1753 7 th Street	211-181-024	1			1	
1761 7 th Street	211-181-025	1			1	
Total No. of Units		56	1	48	5	2

DISPLACED DWELLING UNITS & BEDROOMS				
Bedroom Sizes	Very Low-Income	Low-Income	Mod. Income	Total
Studio	1			1
One Bedroom	25	22	1	48
Two-Bedroom	4	1	0	5
Three-Bedroom	1	0	1	2
Total Units (Bedrooms) Displaced	31 Units (37 bedrooms)	23 Units (24 bedrooms)	2 Units (4 bedrooms)	56 Units (65 bedrooms)

In

summary, a total of 56 units (65 bedrooms) will be removed from the affordable housing market to eliminate blight.

6. CONSTRUCTION OF REPLACEMENT UNITS

State Redevelopment Law [Section 33413(f)] states that notwithstanding subdivision (a), the agency may replace destroyed or removed dwelling units with a fewer number of replacement dwelling units if the replacement dwelling units meet both of the following criteria:

(1) The total number of bedrooms in the replacement dwelling units equals or exceeds the number of bedrooms in the destroyed or removed units. Destroyed or removed units having one or no bedrooms are deemed for this purpose to have one bedroom.

(2) The replacement units are affordable to and occupied by the same income level of households as the destroyed or removed units.

How, when, and where housing would be provided: The construction of new low-income housing units involves analysis of density, size of the units, location, land costs and type of construction. In accordance with development costs, the average unit cost for construction ranges from \$125 to \$200 per square foot (multi-family projects) plus land costs of \$5.00 to \$10.00 per square foot.

Replacement Units (Bedrooms) by Unit Size and Income Category

The Southern California Association of Governments (SCAG) assists local agencies with plans for population and employment growth as required by California law. SCAG analyzes the needs of cities and prepares housing construction goals as part of the Regional Housing Needs Assessment (RHNA). The RHNA requires that each agency develop proactive policies and programs to facilitate new housing construction and additionally develop housing goals.

The Housing Authority proposes to replace the dwelling units to be removed by developing new residential units at 1705, 1719, 1725, 1733, 1747, 1753, and 1761 7th Street to meet the following replacement obligation.

DISPLACED DWELLING UNITS & BEDROOMS				
Bedroom Sizes	Very Low-Income	Low-Income	Mod. Income	Total
Studio	1			1
One Bedroom	25	22	1	48
Two-Bedroom	4	1	0	5
Three-Bedroom	1	0	1	2
Total Units (Bedrooms) Displaced	31 Units (37 bedrooms)	23 Units (24 bedrooms)	2 Units (4 bedrooms)	56 Units (65 bedrooms)

These replacement housing units will meet the State Redevelopment Law [Section 33413(f)] where the total number of bedrooms in the replacement dwelling units equals or exceeds the number of bedrooms in the destroyed or removed units. Destroyed or removed units having one or no bedrooms are deemed for this purpose to have one bedroom.

7. FINANCING REPLACEMENT HOUSING

The Housing Authority proposes to use former Redevelopment Housing Set-Aside funds as the funding sources for the development of the replacement housing units.

8. TIMETABLE FOR DEVELOPMENT OF THE REPLACEMENT HOUSING

To comply with Section 33413(a), the Housing Authority must construct or develop or cause the construction or development of the replacement units within four years of the destruction or removal of the dwelling units housing persons and families of low or moderate income. The replacement units would be available for occupancy before a date that is four years after commencement of demolition.

The Housing Authority herewith acknowledges that replacement housing units must be affordable in the same income category than those being razed or otherwise removed from the City's housing inventory and ensure this result is realized.

9. NON-APPLICABILITY OF ARTICLE 34 OF THE CALIFORNIA CONSTITUTION

Article 34 of the California Constitution provides that no low rent housing project may be developed or constructed in any manner by any state public body until approved by a majority of the qualified voters in the affected city, town or county. However, Section 37001 and 37001.5 of the California Redevelopment Law set forth exclusions from the application of Article 34. One of the exclusions (i.e., CRL Section 37001(f)) is the "replacement of ... dwelling units of a ... project previously or currently occupied by lower income households". Because each of the units at the Project was previously and/or is currently occupied by a low to moderate income households, the replacement thereof pursuant to this Plan falls under that specific exclusion. Therefore, it is found that the replacement housing does not require the approval of the voters pursuant to Article 34 of the California Constitution.

10. PLAN REVIEW PERIOD

In accordance with Community Redevelopment Law, a 30-day public review period is required. A public notice will be posted at Riverside City Hall and the Downtown Branch of the Riverside City Library. The Replacement Plan will be available for review on the City's website and in the City Clerk's Office at Riverside City Hall, 3900 Main Street, 7th Floor, Riverside, California beginning November 8, 2017. Public comments received prior to December 8, 2017, will be provided to the Housing Authority's Board for consideration at the December 19, 2017 Board Meeting.